

General Technical Requirements for Phased Bond Release

Tech-006: September 5, 2000

Section 5, Prior to Bond Release Request

1. Provide certification that reclamation was done according to the designs in the approved plan, or provide as-built plans including designs, reports, and drawings of the reclamation work accomplished and any modifications, amendments, or changes to the reclamation plan as a result of the reclamation.

See Attachment A for certification. Reclamation of Phase 1, Phase 2 and Pumphouse Area were completed according to the plans as outlined in their respective locations in the MRP. Any modifications made to the plans are included with each plan.

2. Provide the maintenance agreements for structures approved to remain for the postmining land use. The maintenance agreements must state that the facilities will be properly managed and maintained by the land owner following bond release.

N/A

3. Where the postmining land use is changed from the premining land use in accordance with R645-301-412 through R645-301-414, the MRP must address all applicable performance standards for bond release and the criteria by which successful reclamation for the post mining land use will be judged.

N/A

Section 5, I, A-D, Request for Bond Release

I. GENERAL ADMINISTRATIVE REQUIREMENTS - A request for bond release must contain or reference the following administrative information:

A. NOTARIZED SIGNATURE - A request will contain the notarized signature of a responsible official of the permittee, certifying that the information contained in the request is true and correct to the best of the official's information and belief.

Refer to Attachment A

B. NOTIFICATION LETTERS - Copies of letters of notification must be submitted to the Division. Notice Letters shall, at a minimum, contain the same information as submitted in the newspaper Advertisement (See part C below) and shall be sent by the permittee to all parties who have a valid interest in release of bond. Notice Letters shall identify the intent to seek bond release, and shall be sent to the following:

1. Surface Owners
2. Subsurface Owners
3. Adjoining Property Owners
4. County Commissioners
5. Mayors
6. Local Planning Agencies
7. Municipal Authorities
8. Sewage and Water Treatment Authorities
9. Water Companies

Depending on land ownership and management, other agencies that may need to be notified include:

1. State Division of State History
2. State Division of Water Resources
3. State Department of Environmental Quality
4. State Division of Wildlife Resources
5. Federal Agencies

Draft letter is presented in Attachment B. A list of recipients are as follows;

*United States Forest Service
Manti-LaSal National Forest
599 Price River Drive
Price, Utah 84501*

*US Department of the Interior
Bureau of Land Management
324 South State, Suite 301
Salt Lake City, Utah 84111*

*State of Utah
School and Institutional Trust Lands Administration
675 east 500 South, Suite 500
Salt Lake City, Utah 84102*

*State of Utah
Department of Natural Resources
Division of Wildlife Resources
Attn: Brent Stettler
475 West Price River Drive, Suite C
Price, Utah 84501*

*Emery County Commission
Attn Commissioners
P.O. Box 329
Castle Dale, Utah 84513*

*Public Lands Council
Ray Peterson - Director
P.O. Box 1228
Castle Dale, Utah 84513*

*Emery County Records Office
Dixie Swasey - County Recorder
P.O. Box 698
Castle Dale, Utah 84513*

C. NEWSPAPER ADVERTISEMENT - Newspaper advertisements should be approved by the Division **PRIOR** to publication to ensure completeness. A copy of a newspaper advertisement which is published at least once a week for four consecutive weeks in a newspaper of the locality of the mining operation shall be submitted to the Division within 30 days after the date of bond release application. The advertisement shall contain the following items:

1. The permit, number name of the permittee, and the permit approval date.
2. A description of the precise location of the land affected, both surface and coal.
3. The number of acres to be considered for release, both surface and coal.
4. The amount and type of bond the Division currently holds.
5. The amount of bond being sought for release.

6. A description of the type of reclamation work performed and the dates when the work was performed and completed.
7. A description of the results achieved in relation to the mining and reclamation plan.
8. A statement indicating written comments, objections and requests for public hearings or informal conferences may be submitted to the Division of Oil, Gas and Mining.
9. The Address of the Division of Oil, Gas and Mining.
10. The closing date for submission of such comments, etc.

Refer to Attachment C for a draft copy of the newspaper advertisement.

Section 5, II, A, 1-9:

BOND RELEASE REQUEST (ALL PHASES) - A request for bond release must contain or reference the following technical information:

1. A legal description of the permit area.

T17S, R7E, S.L.B. & M, Emery County, Utah

Sec 25:

NW $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$.

Sec 26:

E $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$.

Sediment Pond

*Beginning at a point 259.41 feet West and 123.74 feet North of the East 1/4 corner of section 35, T17S, R7E., SLBM and intersecting the Des-Bee-Dove Emery County Road No. 412;
thence S 61° 43' E, 127.70 feet ;
thence S 51° 13' E, 459.78 feet;
thence S 60° 43' E, 163.50 feet;
thence S 3° 43' E, 213.14 feet;
thence N 64° 47' E, 278.44 feet;
thence N 22° 17' E, 249.11 feet;
thence N 44° 13' W, 217.52 feet;
thence N 2° 47' E, 431.98 feet;
thence N 10° 13' W, 194.24 feet;
thence N 6° 13' E, 231.03 feet;*

*thence N 51° 13' E, 154.75 feet;
thence N 7° 13' E, 230.82 feet;
thence N 39° 13' W, 188.61 feet;
thence N 13° 48' 40" W, 1030.83 feet;
thence N 40° 36' 49" W, 46.42 feet;
thence S 88° 27' 37" W, 100.39 feet;
thence N 61° 03' 40" W, 163.27 feet,
thence W, 79.30 feet,
thence S, 0°, 08' W, 517.82 feet,
thence S 13° 48' 40" E, 454.63 feet;
thence S 60° 37' 19" E, 640.87 feet;
thence S 7° 13' W, 189.18 feet;
thence S 51° 13' W, 155.25 feet;
thence S 6° 13' W, 258.97 feet;
thence S 10° 13' E, 195.76 feet;
thence S 2° 47' W, 448.02 feet;
thence S 44° 13' E, 206.48 feet;
thence S 22° 17' W, 196.89 feet;
thence S 64° 47' W, 185.56 feet;
thence N 3° 43' W, 166.86 feet;
thence N 60° 43' W, 186.50 feet;
thence N 51° 13' W, 460.22 feet;
thence N 61° 43' W, 132.30 feet;
thence S 28° 16' 51" W, 50.00 feet;
to point of beginning. Contains 13.88 acres, more or less.*

BLM Right of Way UTU-53809 Relinquished 8/22/04; No Right of Entry

Total permit acreage equals 153.88 acres, more or less.

2. Maps of a scale of 1"=500' or larger (e.g. 1"=50') clearly illustrating the boundaries of lands for which bond release is being requested. The maps shall:

- a. Delineate all disturbed areas,**
- b. Show the reclamation dates and acreage of each reclaimed area,**
- c. Show the operation or reclamation status of each area, such as active; temporary cessation; or phase bond release, and,**
- d. Show areas proposed for bond release.**

Refer to enclosed maps in Attachment D. All disturbed areas are delineated with dates of reclamation, status, etc.

3. Notify the Division 3 months in advance of vegetation sampling for PHASE II and PHASE III Bond Release to confirm adequacy of sampling methodology and schedule sampling dates.

This item is not applicable to this application. This application only applies to Phase I bond release.

4. The specific reclamation treatments, areas, and work accomplished which is to be considered for bond release. Reference the pages or sections where postmining topography, drainage control, vegetation, intended land use, etc., are contained in the MRP.

Refer to the DBD MRP, Appendix XIV and Appendix XV (separate volumes of the MRP). Final Reclamation has been nearly completed on all areas of the Des Bee Dove Mine site except for the sedimentation pond. Reclamation of this pond began in November 2005 (refer to Appendix XVI). Live planting on the Phase 1 and Phase 2 areas is scheduled for April/May, 2006 to complete these projects.

5. A brief history of mining and reclamation activities indicating when mining operations began and ended and when earthwork and topsoil distribution began and ended.

Final reclamation of the Des Bee Dove mine concludes more than 100 years of mining at this site. Mining at this site began in the late 1880's. Utah, Power and Light purchased the mine in 1971 from the LDS Church and mined nearly 13 million tons of coal until closure in 1986. PacifiCorp permanently sealed the portals in 1987. In 1996, notice of intent to reclaim the Des Bee Dove mine was submitted to the Division. Emery County expressed interest in keeping the haul road as part of the County's road system. With the cooperation of Emery County and the Division, PacifiCorp received Phase III bond release of the haul road. This area was removed from the disturbed and permit area at that time.

Final reclamation of the mine site began in 1998 with the recontouring of the pumphouse area situated down canyon from the main mine facilities. In 1999, Energy West removed the remaining surface facilities throughout the mine site. Phase 1 of the reclamation was completed in 2002 which entailed the backfilling and grading of the area containing the Little Dove and Beehive portals. Phase 2 reclamation was completed in June, 2003 and involved backfilling and grading of the Deseret Mine portals, bathhouse, and storage yard facilities, construction of a drainage channel, and removing and recontouring the mine access road. All topsoil redistribution was complete at this time. Refer to attached map.

Final reclamation of the sedimentation pond remains to be completed. This operation is planned for November 2005. This operation will be completed in approximately 30 days from start to finish. No planting of live plant stock is planned for this area. No other sediment control structures will exist after the reclamation of the sedimentation pond.

6. Dates of last seeding, rill and gully repair or other augmentative practices, and references to approval for the husbandry practices occurring during the period of extended responsibility.

Seeding was completed contemporaneously with backfilling and grading. Dates can be found on the Bond Release Area Map. Partial planting of live stock was initiated at the completion of Phase 2 reclamation. These procedures entailed planting approximately one-half of the stock required by the reclamation plan in the Phase 1 and Phase 2 areas. The remainder of the live stock is scheduled to be planted in April/May, 2006. No planting of live plant stock was conducted in the Pumphouse Area.

7. Remaining sediment control structures (ponds, silt fences, straw bales) and diversions to be removed and any release of refuse piles and ponds from MSHA requirements.

No sediment control structures remained at the conclusion of Phase 1 and 2 reclamation. As stated above, final reclamation of the sedimentation pond remains to be completed. This operation began in November 2005. Reclamation is expected to be completed in approximately 30 days from start to finish. No other sediment control structures will exist after the reclamation of the sedimentation pond.

8. A detailed scheduled and const estimate for the remaining reclamation work to be accomplished. The cost estimate shall include, but not limited to, cost for remaining reclamation treatments; revegetation; diversion and sediment pond removal; access road removal; vegetative, water, and other monitoring requirements; surveys or studies to determine reclamation success; maintenance costs; and engineering and contingency costs and any reclamation that may be needed to bring the site to the premining land use should the proposed post mining land use fail.

It is estimated that the cost to reclaim the sedimentation pond is approximately \$100,000.00 which includes revegetation, diversion and sediment control structure removal, access road removal, engineering, and any other cost associated with this project. A detailed estimate is given below:

<u>Cost Estimate for Remaining Reclamation (Phase 3)</u>	
Backfilling/Grading (including topsoiling)	\$64,000.00
Seeding	\$18,000.00
Access Road Removal	\$9,000.00
Engineering	<u>\$9,000.00</u>
	\$100,000.00

9. A summary of the current bond amount, total disturbed area acreage, and the acreage, locations, dates and amounts of bond released for Phase I, Phase II, and Phase III reclamation.

The current bond is \$1,837,712.00. Total disturbed area of all reclaimed areas (including Phase 1 area - 4 acres, Phase 2 area - 22 acres, Pumphouse area - 2 acres, and Phase 3 area - 9 acres) is approximately 37 acres. PacifiCorp is requesting a 60% reduction in the bond, or \$1,102,627.00.

Section 5, II, B, 1-6:

PHASE I BOND RELEASE - Bond release for PHASE I may be considered only after the applicant demonstrates and the Division is satisfied that all the reclamation requirements for backfilling, regrading and drainage control measures for PHASE I are met. This phase may include topsoil replacement.

For PHASE I bond release, the following information must be included in the bond release package or reference in the MRP.

1. All applicable information required in: BOND RELEASE REQUEST (ALL PHASES)

This information is given above in Section 5, II, A, 1-9. A map showing the permit area is presented in Attachment D

2. A map illustrating the "as-built" topography (refer to : PRIOR TO BOND RELEASE REQUEST)

Refer to maps in Attachment D.

3. Postmining Contour Topographic Maps (no smaller than 1"=500') showing detail including:

- a. Postmining hydrologic features including restoration of natural drainages. It should also show ponds, diversions, wells and monitoring sites to be removed at PHASE II,
- b. Cross sections showing important topographic features including but not necessarily limited to, approximate original contour, road, etc.,
- c. Dates of backfilling and grading activities,
- d. Dates of topsoil replacement,
- e. Topsoil replacement depths.

Refer to maps in Attachment D.

4. Overburden chemical analysis results, and discussion on potential adverse affects on plant growth or water quality.

Overburden chemical analysis is not applicable to this application.

5. Evaluation of topsoil or substitute soil including chemical and physical analysis and replace depths (if included in this phase of bond release).

Refer to Appendix XIV, Phase 1 Reclamation Plan, R645-301-200: Soils, Appendix C, Substitute Topsoil Assessment (E.I. S. 2002).

6. Evaluation of subsoil including analysis and replacement depths (optional).

See Item 5 above.

PacifiCorp

Energy West Mining Company

Des Bee Dove Mine

C/015/0017

Phase I Bond Release Application

Attachment A - C1 Form

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change ☐ New Permit ☐ Renewal ☐ Exploration ☐ Bond Release ☒ Transfer ☐

Permittee: PacifiCorp

Mine: Des Bee Dove Mine

Permit Number: C/015/0017

Title: Application for Phase I Bond Release for the Reclaimed Areas of the Des Bee Dove Mine Site, PacifiCorp, C/015/0017

Description, Include reason for application and timing required to implement:

Instructions: If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

- | | |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ <input type="checkbox"/> increase <input type="checkbox"/> decrease. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. Is the application submitted as a result of a Division Order? DO# _____ |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. Does the application include operations in hydrologic basins other than as currently approved? |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond? |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 6. Does the application require or include public notice publication? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. Does the application require or include ownership, control, right-of-entry, or compliance information? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. Is the application submitted as a result of a Violation? NOV # _____ |
| <input type="checkbox"/> Yes <input type="checkbox"/> No | 10. Is the application submitted as a result of other laws or regulations or policies? |
| <i>Explain:</i> _____ | |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 11. Does the application affect the surface landowner or change the post mining land use? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2) |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 13. Does the application require or include collection and reporting of any baseline information? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 15. Does the application require or include soil removal, storage or placement? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 16. Does the application require or include vegetation monitoring, removal or revegetation activities? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 17. Does the application require or include construction, modification, or removal of surface facilities? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 18. Does the application require or include water monitoring, sediment or drainage control measures? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 19. Does the application require or include certified designs, maps or calculation? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 20. Does the application require or include subsidence control or monitoring? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 21. Have reclamation costs for bonding been provided? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 23. Does the application affect permits issued by other agencies or permits issued to other entities? |

Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you. (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

Charles A. Semborski

Print Name

Charles A. Semborski Geology/Permitting Supervisor 12-12-05

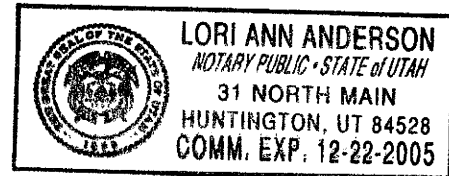
Sign Name, Position, Date

Subscribed and sworn to before me this 12th day of December, 2005

Lori Ann Anderson
Notary Public

My commission Expires:

Attest: State of Utah 12/22, 2005) ss:
County of Emery



For Office Use Only:	Assigned Tracking Number:	Received by Oil, Gas & Mining
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Form DOGM- C1 (Revised March 12, 2002)

PacifiCorp

Energy West Mining Company

Des Bee Dove Mine

C/015/0017

Phase I Bond Release Application

Attachment B - Draft Notification Letter

DATE

Interested Party
Street Address
City, State, Zip code

Dear Interested Party:

This letter is sent to inform you that Energy West Mining Company, a subsidiary of PacifiCorp, has filed an application for Phase I bond release of the Des Bee Dove Mine site, Permit Number C/015/0017. The purpose of this action is to commence responsibility release procedures for this area. PacifiCorp currently has a \$1,837,712.00 surety bond payable to the Division of Oil, Gas, and Mining. A 60% reduction, or \$1,102,627.00, is being sought at this time. This parcel of land contains approximately 28.0 disturbed acres and is contained in the E½ of Section 26 and the W½ of Section of 25, Township 17 South, Range 7 East, SLBM. The permit area originally encompassed approximately 2,760 acres. In 2001, the permit boundary was reduced to approximately 154 acres.

Utah Power & Light mined nearly 13 million tons of coal from the time of purchase in 1971 until the portals were permanently sealed in 1987. Yearly coal production peaked in 1982 at 1.2 million tons.

The final reclamation of the Des Bee Dove mine concludes more that 100 years of mining at this site. Final reclamation began in 1998 with the recontouring of the pumphouse area situated down canyon from the main mine facilities. In 1999, Energy West removed the remaining surface facilities throughout the mine site. Phase 1 reclamation was completed in 2002 which entailed the backfilling and grading of the area containing the Little Dove and Beehive portals. Phase 2 reclamation was completed in 2003 and involved backfilling and grading of the Deseret Mine portals, bathhouse, and storage yard facilities, construction of a drainage channel, and removing and recontouring the mine access road. Final reclamation of the sedimentation pond remains to be completed. This operation began in November 2005.

As required by the State of Utah, R645-Coal Mining Rules (R645-301-880), all adjoining property owners, local governmental bodies, etc, must be notified, informing them of the operators intention to seek release from bond. A public notice will be published in the Emery County Progress commencing on DATE and will run for four (4) consecutive weeks. Comments may be submitted to the Division of Oil, Gas and Mining at an address of 1594 West North Temple, Suite 1210, Salt Lake City, Utah 84114-5801.

If you have any questions, or require further information pertaining this bond release application, please feel free to call me at (435) 687-4720.

Sincerely,

Dennis Oakley
Sr. Environmental Engineer

cc Pam Grubaugh-Littig, (DOGM)
Scott Child, (IMC)
file, (EWMC)

PacifiCorp

Energy West Mining Company

Des Bee Dove Mine

C/015/0017

Phase I Bond Release Application

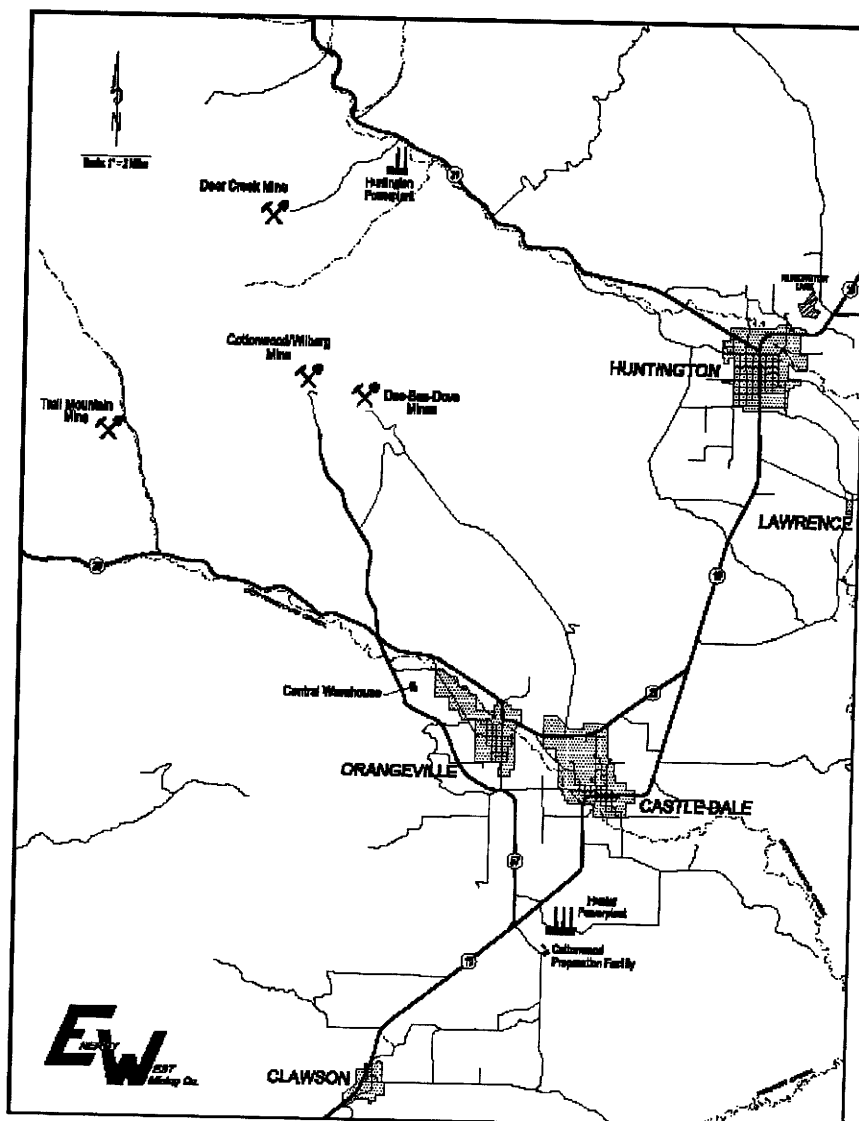
Attachment C - Public Notice

**PacifiCorp
Des Bee Dove Mine
C/015/0017**

Phase I Bond Release Application

**Energy West Mining Company
P.O. Box 310
Huntington, Utah 84528**

PacifiCorp, by and through its wholly-owned subsidiary, Energy West Mining Company ("Energy West") as mine operator, hereby submits an application for Phase I bond release for the Des Bee Dove Mine site. The said area, located in E½ of Section 26 and the W½ of Section 25, Township 17 South, Range 7 East, SLBM, has met the regulations of the R645 Utah Coal Rules in regards to Phase I Bond Release (R645-301-880.300). The total acreage proposed for release is approximately 28.0 acres and is located as shown below:



The Des Bee Dove Mine complex encompasses three separate mines; the Beehive and Little Dove mine portals in the upper or Blind Canyon seam and the Deseret mine portals in the lower or Hiawatha seam. All mine portals were permanently sealed in 1987. In 1997, PacifiCorp submitted a "Notice of Intent" to reclaim all areas of the Des Bee Dove Mine including the haul road. Emery County expressed interest and called for the haul road to be left in place as part of the County road system. In 1997, Phase III bond release was granted for the haul road. In 1998, the 1.6 acre pumphouse area was reclaimed. In 1999, surface facilities of the upper and lower mine site were removed. The upper mine site reclamation was completed in May, 2002.

The lower mine site and access road was completed in June, 2003. The sediment pond servicing this site began reclamation in November, 2005.

Currently, a surety bond is filed with the Division of Oil, Gas and Mining in the amount of \$1,837,712.00 and is payable to the State of Utah, Division of Oil, Gas and Mining (DOGM), and the Office of Surface Mining Reclamation and Enforcement (OSM). PacifiCorp requests that the bond liability amount for the Des Bee Dove mine site be reduced 60%, or \$1,102,627.00, to comply with the R645-301-880.300 regulation. Total surety bond held for this area will be reduced to \$735,084.00 at the completion of the Phase I Bond Release.

A copy of the Phase I application may be examined at the office of the Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Salt Lake City, Utah 84114-5801 and also at the Records Office located in the Emery County Courthouse in Castle Dale, Utah. Written comments, objections, or requests for an informal conference may be submitted to the Salt Lake City address. Said comments must be submitted thirty (30) days from the date of the last publication of this notice. This notice is being published to comply with the Surface Mining Control and Reclamation Act of 1977, and State and Federal regulations promulgated pursuant to said Act.

Published in the Emery County Progress for four consecutive weeks beginning DATE.

PacifiCorp

Energy West Mining Company

Des Bee Dove Mine

C/015/0017

Phase I Bond Release Application

Attachment D - Maps